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Tatan and Erhtan, two small islands in the Quemoy group, were shelled by Communist batteries on 28 June for the third straight day, according to press accounts

from Taipei. The islands are used by the Nationalists as observation points and as bases for mortar fire against vessels entering Amoy harbor. Nationalist spokesmen, in briefing the press, have described the situation as "very tense," although there has been no report from any other sources indicating that an attempt to seize the islands is imminent. The Chinese Communists may have stepped up artillery fire against Tatan and Erhtan in order to silence Nationalist mortars there, which have been harassing ships entering Amoy harbor.

The	total	force	on	both	Tatan	and	Erhtan	is
only about 1,100 men.								

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CYPRUS ISS	UE	٦		
		Official Turkish displeasure with		
		NATO secretary general Spaak's		
		first moves toward mediating the		
		Cyprus dispute suggests increasing		
		bitterness between Turkey and Gre over Cyprus and the inevitability of	ece fa	
		showdown in this year's UN Genera	1	
		Assembly.		
		The Turkish government believes		
		that Spaak is off to a "bad start"	31	
		and that his present views are "bac	มy the	
conceived ai	na in ef: Ankara	Tect present only a Greek solution to continues to insist on partition as the	6	
only accepta	able sol	ution, and a Foreign Ministry officia	ւ1	
states that a	any proi	posal of independence for Cyprus wil	l be	
flatly reject	ed. Pr	rime Minister Menderes has put off s	seeing	
Spaak in the	ed. Pr	rime Minister Menderes has put off s uture and reportedly has suggested a	meet-	
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	4. FRENCH IN	LAOS SUPPORTING PRINCE PEISA	RAIN
25X1A	to foster co cording to t sador repor dor Gassou could unite events. Ga accept powe	French representatives in L promoting Prince Petsarath, of Laos and brother of Pathe Souphannouvong, for the prince apparently regard him as the leader intinued French influence and prestige the American ambassador in Vientiane at that in a 25 June conversation, Frein described Petsarath as a true patricular Laos and reverse the present unfavor assouin said Petsarath had indicated the only if drafted and on condition that the Western powers.	viceroy  t Lao chief  me minister-  most likely  in Laos, ac-  t. The ambas-  ench ambassa-  ot who alone  able drift of  nat he would
	Laotian ass are urging policy towa	The French are apparently to pave the way for Western suche belief that he may ultimately be casembly to resolve the present political that the Western powers adopt a more rd Laos, particularly with regard to the Lao into a coalition government.	pport of Pet- lled on by the crisis. They ''flexible''
	tlement of t	Petsarath's public statement aos in March have minimized the dang the Pathet Lao problem. He recently e Pathet-held provinces convinced th <u>a</u>	gers in a set- returned from
		nmunists or Communist-controlled.	
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## 5. SITUATION IN INDONESIA

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Non-Communist political leaders in Indonesia are greatly disturbed over the Communist Party's 40-percent gain in votes in the Djakarta municipal elections on 22 June, and reportedly are exploring the possibility of establishing a united front against the Communists. The National Party, which won a plurality in the 1955 national elections, appears particularly anxious over its prospects in the forthcoming provincial elections in Central Java, where it has had its major strength. Although the elections in Central Java re-

portedly have been postponed until October, the non-Communist parties must still compete against a superior Communist machine which is already operating in high gear. The Communists, moreover, are spending money freely and are capitalizing on the popularity accorded them by President Sukarno's continued public encouragement.

Meanwhile, in East Indonesia, Lt. Col. Sumual is working toward the political reorganization of the area into six autonomous provinces. Although this development may be simply a face-saving move, it would appear to be a new act of defiance by the East Indonesians.

Anti-Djakarta feeling is still running strong in Sumatra, where former vice president Hatta has reiterated his strong support for autonomous moves in non-Javanese areas as well as his belief that these moves are not motivated by separatist desires. At the same rally, Lt. Col. Hussein stated that while there was no desire to "fritter away" Indonesian unity, the people of Central and South Sumatra have returned to "the ideals of the revolution after having been led astray by certain leaders in the central government."

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25X1A	The East German Communists consider their 18-20 June talks with Polish leaders a failure and believe their efforts to	
25X1	camp have been unsuccessful,  The talks convinced the East Germans that Gomulka is still in firm control in Poland and that he, like Tito, will continue to pursue a deviationist ideological line.	25X^
	The Polish visit to Berlin reportedly resulted from heavy pressure from the Soviet Union. Gomulka was reluctant to make this trip and agreed only after a heated argument with Khrushchev.	25X1
Г	In order to enhance the appearance of bloc solidarity, an East German delegation headed by party first secretary Ulbricht and Premier Grotewohl will go to Warsaw on 22 July for the Polish national holiday.	
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